



SAFECO PROPERTY & CASUALTY INSURANCE COMPANIES

American Economy Insurance Company
Safeco Insurance Co.
P.O. Box 5373
Poland, Oh 44514

Phone: (800) 332-3226
(330) 757-9403
Fax: (800) 831-4415
www.safeco.com

Mailing address:
P.O. Box 5373
Poland, Oh 44514

July 23, 2004

Walter Beck Corporation
Po Box 362
Lewis Run, PA 16738

Insured Name: Walter Beck Corporation
Policy Number: 02CC771900
Loss Date: December 5, 2003
Claim Number: 521474522015

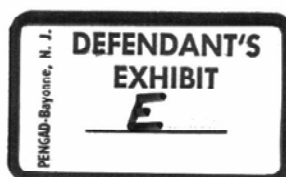
Dear Mr. Harold Beck:

I am responding to your July 5th Registered Letter received upon my return from vacation July 19th. First I would like to address the point you brought up about your wife's medical condition. I expressed my concern for her well being in all of our earlier conversations. Unfortunately the policy does not cover either of your medical bills.

I also want to assure you it is not our intent to delay this matter in any way. The denial of coverage was based upon the lack of a fire suppression system. Your policy requires this system and it's regular maintenance. I again request the name of the company who maintained your systems so we can get past this road block. You state your records were destroyed in the fire. There can only be a few companies who maintain this equipment in your area. I would think this information would be attainable.

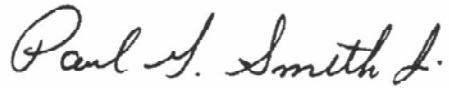
As a last note you indicated to me you would send copies of the earlier letters for our records.

If you have any questions please feel free to call me. The above information can be related to me by phone.



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Walter Beck Corporation
July 23, 2004

Sincerely,

A handwritten signature in cursive script that reads "Paul M. Smith Jr.".

Paul Smith Jr.
Safeco Insurance Co.
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(800) 332-3226
(330) 757-9403 Fax: (800) 831-4415
pausmi@safeco.com